

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	
OF NORTH MERCER WATER)	CASE NO. 2003-00498
DISTRICT)	

O R D E R

On December 23, 2003, North Mercer Water District ("North Mercer") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. North Mercer purchases water from the city of Harrodsburg ("Harrodsburg").
2. Harrodsburg notified North Mercer that effective with its February 2003 billing its wholesale declining block rate schedule would increase by 4.49 percent across the board. A copy of the current and proposed schedule was filed with North Mercer's application.
3. During the 12 months ending September 30, 2003, North Mercer purchased 265,899,235 gallons of water from Harrodsburg and sold 212,782,160 gallons. The increase in the cost of purchased water is \$13,461.07, resulting in a purchased water adjustment of \$0.06 per 1,000 gallons.
4. The purchased water adjustment of \$0.06 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of \$0.06 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after January 11, 2004.

2. The proposed tariff sheets filed by North Mercer are approved as filed.

Done at Frankfort, Kentucky, this 16th day of January, 2004.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2003-00498 DATED January 16, 2004

The following rates and charges are prescribed for the customers in the area served by North Mercer Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Rates

First	1,000 Gallons	\$10.56 Minimum Bill
Next	2,000 Gallons	4.42 Per 1,000 Gallons
Next	2,000 Gallons	4.16 Per 1,000 Gallons
Next	5,000 Gallons	3.95 Per 1,000 Gallons
Over	10,000 Gallons	3.79 Per 1,000 Gallons